

FOREWORD

As the Department of Defense turns increasingly to the commercial market for the products and services it needs, knowledge and understanding of the industries and sectors that make up the global commercial market becomes a vital capability. Market research is conducted to determine the availability of commercial products and services and to identify market practices.

This handbook updates and expands the SD-5 handbook dated February 1992, *Market Analysis for Nondevelopmental Items*. This updated version of our handbook focuses on market research leading to the acquisition of both commercial items and commercial services. Market research is also an important tool for identifying and buying nondevelopmental items (NDI), when suitable commercial items are not available. However, because of the breadth and scope of market research needed for a successful commercial acquisition, I felt this additional guidance specifically for commercial acquisitions would prove useful. Our SD-2 handbook, *Buying Commercial & Nondevelopmental Items*, contains general guidance on buying NDI, including conducting market research.

In putting together this handbook, we placed an emphasis on practical information, recognizing that market research varies depending on the acquisition. As a result, a variety of examples demonstrating successful methods for performing market research, and the analysis and use of market research information, are included. Since the publication of the original handbook in 1992, the use of the Internet as a market research tool has emerged. Appendix A addresses the use of electronic databases available through the Internet and on CD-ROM.

I would like to thank the members of the market research working group, chartered by the Defense Standards Improvement Council, which included representatives from the Army, Navy, Air Force, Marine Corps, and Defense Logistics Agency. Their experience and insight shaped the handbook. Working group members are listed on our homepage at the Internet address cited on the next page. They are individually a valuable source of information on market research.

Your recommendations on improving the content of this handbook are welcome. Please send your comments to:

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Building 4D, Philadelphia, PA 19111-5094, (215) 697-2667 or 2179. Electronic copies are available from our homepage at the following Internet address:
<http://www.acq.osd.mil/es/std/ndi>.

/signed/

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PURPOSE

*DoD 5000.2-R, **Mandatory Procedures for Major Defense Acquisition Programs and Major Automated Information System Acquisition Programs**, requires that market research and analysis be conducted to determine the availability and suitability of commercial and nondevelopmental items prior to the commencement of any development effort, during the development effort, and prior to the preparation of any product description. Part 10 of the Federal Acquisition Regulation prescribes policies and procedures for conducting market research to arrive at the most suitable approach to acquiring, distributing, and supporting supplies and services.*

This handbook is intended to complement DoD 5000.2-R and Part 10 of the Federal Acquisition Regulation by providing general guidance, tools, and examples to assist you in conducting market research for a wide variety of items and services.

